Santumas Shareholdings plc

Amalgamated
with Marsascala Development Limited, Santumas Contractors Limited
and Calpabrin Properties (Investments) Limited

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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Santumas Shareholdings plc pursuant to the Listing Rules as issued by the Listing Authority.

Quote

At a meeting of the Board of Directors of Santumas Shareholdings plc held on 27th August 2020 the audited financial statements for the financial year ended 30th April 2020 were approved. The Board resolved that these audited financial statements be submitted for the approval of the shareholders at the forthcoming Annual General Meeting which is scheduled to be held remotely on Friday, 22nd October 2020.

The financial statements are available for viewing and downloading from the company's website http://www.santumasmalta.com

Unquote

Michael Formosa Gauci
Company Secretary

28th August 2020

Company Registration No.: C 35

SANTUMAS SHAREHOLDINGS PLC

Annual Report and Financial Statements

30 April 2020

CONTENTS

DIRECTORS' AND COMPANY INFORMATION

REGISTRATION

Santumas Shareholdings plc was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 12 December 1997 with company registration number C35. The Company held a Collective Investment Scheme license from the Malta Financial Services Authority in terms of the Investment Services Act, 1994 until 9 October 2014. As at this date, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock exchange as a CIS. On the same date Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS

Mr. Anthony P. Demajo (Chairman)
41, G'Mangia Hill, Pieta, Malta

Mr. Peter Paul Testaferrata Moroni Viani
Casa Testaferrata, J. Howard Street, Naxxar, Malta

Mr. Christopher Testaferrata Moroni Viani
Villa Ammermann, Mdina Road, Balzan, Malta

Mr. Norbert Tabone
Jeanor, Triq Nerik Xerri, Kirkop, Malta

Mr. Mario P. Galea
35, Triq tal-Mielah, High Ridge, St. Andrews, Swieqi, Malta

Mr. Roberto Buontempo (Appointed 11 October 2019)
"Moonlight Ville", Triq il-Qasba, Swieqi, Malta

Mr. Michael Pace Ross (Resigned 11 October 2019)
34 "Iris", Santa Marija Gardens, Triq iz-Zebbug, Mellieha, Malta

SECRETARY

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T10, B54,
Tigne Point
Sliema, Malta

REGISTERED OFFICE

Britannia House/1
9 Old Bakery Street
Valletta
Malta

AUDITORS

Ernst & Young Malta Limited
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD1751
Malta

DIRECTORS' AND COMPANY INFORMATION – continued

LEGAL ADVISORS

R. Frendo Randon & Associates
222, Merchants Street
Valletta
Malta

Camilleri Preziosi Advocates
Level 3, Valletta Buildings
South Street
Valletta
Malta

Dr. Peter Caruana Galizia
56 Melita Street
Valletta
Malta

BANKERS

HSBC Bank Malta plc
166, Archbishop Street
Valletta
Malta

Bank of Valletta plc
45, Republic Street
Valletta
Malta

AUDIT COMMITTEE

Mr. Mario P. Galea (Chairman)
35, Triq tal-Mielaħ, High Ridge, St. Andrews, Swieqi, Malta

Mr. Norbert Tabone
Jeanor, Triq Nerik Xerri, Kirkop, Malta

Mr. Roberto Buontempo
"Moonlight Ville", Triq il-Qasba, Swieqi, Malta

BACKGROUND

The Company was formed as the Malta New Issues Investment Co. Limited on 29 April 1963. The Company's name was changed on 18 May 1965 to Malta Shareholdings Limited when the Company was converted to a public company with the objects of carrying on the business of a finance trust in all branches. The name was changed again on 29 September 1978 to Santumas Shareholdings Limited. The Company's objects also provided for property development, with the main property development being the Santumas Estate at Marsascala.

Calpabrin Properties (Investments) Limited merged into Santumas Shareholdings Limited on 2 April 1987 and Marsascala Development Limited and Santumas Contractors Limited merged into Santumas Shareholdings Limited on 15 December 1989.

On 9 May 1996, the Company was licensed as a Collective Investment Scheme under the Investment Services Act, Cap. 370 of the Laws of Malta by the Malta Financial Services Centre. The Company was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 12 December 1997, thereby changing its name to Santumas Shareholdings plc.

On 12 December 2003, the Company's shares were accepted for listing on the Malta Stock Exchange.

On 9 October 2014, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements of Santumas Shareholdings plc (the ''Company'') for the year ended 30 April 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year continued to be the carrying out of investment activities in the form of a listed Property Company. Being a listed Company involves obligations to comply with the Code of Principles of Good Governance ("the Code") as contained in Appendix 5.1 to Chapter 5 of the Listing Rules. Although the Code does not prescribe mandatory rules, it recommends principles of good practice. Compliance with the Code is considered to be in the best interests of the Company and all shareholders and the Company's activities therefore have been conducted within the outlined principles of good practice.

FINANCIAL RESULTS AND REVIEW OF THE BUSINESS

The local economy has inevitably suffered from the effects of the COVID-19 pandemic and the negative sentiment that this has created has contributed in no small part to the poor performance of the equity market. As a consequence The Malta Stock Exchange Equity Price Index has seen a 13% fall for the company's financial year ending 30th April 2020 and this fall has in turn impacted the Company's equity portfolio which has recorded an unrealised loss of EUR1,027,656 (2019: unrealised gain EUR63,110) for the year under review.

The Statement of Comprehensive Income is set out on page 19. The loss before tax for the year amounted to EUR674,375 (2019: profit of EUR718,958). There was a tax charge of EUR150,838 (2019: EUR134,712). The net loss for the year ended 30th April 2020 was therefore EUR825,213 (2019: net profit EUR584,246).

Dividend income over the twelve months has seen a 72% increase over the corresponding period. This was mainly due to a one-off special dividend from a single player in the telecommunications sector and a bonus issue distributed by a leading financial service company. This increase is not a true reflection of the general trend of dividend pay-outs by locally listed companies. Interest income has seen a fall of 30% as compared with the corresponding period this a consequence of the redemption and disposal of some of the Companies fixed interest account holdings.

Administrative expenses are marginally higher than those of previous years. Total expenses for the period increased by EUR4,613 (2019: decreased by EUR16,898) which increase is mainly driven by the increase in Malta Stock Exchange costs. Such increased costs are due to their being a larger numbers of shares in issue as a result of the bonus issue in December 2019.

The Financial Position of the Company has taken a step back relative to the previous year. The Net Assets of the Company decreased by around EUR825,213 (2019: increased by EUR596,000) which decrease is mainly attributable to the fall in the value of the Company's equity portfolio.

INVESTMENT PROPERTY

There have been no purchases or sales of property during the year under review. The Company's investment property holdings, excluding ground rents, were professionally valued on 30th April 2020 at EUR3,320,200 (2019: EUR3,315,200) yielding an immaterial corresponding unrealised gain of EUR5,000 (2019: EUR98,100) as at 30th April 2020.

FURTURE PROSPECTS

Progress and growth in the short term is inevitably dependent on the recovery of the economy from the effects of COVID-19. To date the Company's property portfolio has escaped relatively unscathed however should the current crisis prolong itself it is likely that the value of the property holdings will suffer. The recovery of the equity portfolio is also dependent on the COVID-19 situation which is an unprecedented crisis and naturally it has brought uncertainty in the market. However, all of this is not expected to significantly affect the cashflow performance of the entity, given that any impact on the financial performance and position of the Company will be of an unrealised nature.

DIRECTORS' REPORT – continued

MALTA STOCK EXCHANGE

Trading in company shares on the local market remained thin with a total of 44 trades changing hands throughout the year. As at 30th April 2020 the Company's share price stood at EUR1.36 (2019: EUR1.42).

NET ASSET VALUE

As at 30th April 2020, the Net Asset Value of the Company per share stood at EUR1.523 as compared to EUR1.799 at 30th April 2019. The Net Asset Value has been calculated using the same methodology used to calculate the Earnings per Share.

PRINCIPAL RISKS

The Company's principal risks are further disclosed in Note 19 dealing with management of risks as supplemented by Note 3 relating to significant accounting estimates and judgements in applying accounting policies.

DIVIDENDS

The Directors do not propose any dividend for the year.

DIRECTORS

The Directors for the year ended 30th April 2020 are listed on page 2.

DIRECTORS' INTERESTS

As at 30th April 2020, the Directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding EUR	Percentage shareholding %
* Mr. P. P. Testaferrata Moroni Viani			
* Mr. C. Testaferrata Moroni Viani	3,454,289	949,929	47.23
Mr. A. P. Demajo	500,000	137,500	6.84
Mr. C. Testaferrata Moroni Viani	92,400	25,410	1.26
Mr. P. P. Testaferrata Moroni Viani	35,310	9,710	0.48
Totals	**4,081,999**	**1,122,549**	**55.81**

As at 30th April 2019, the Directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding EUR	Percentage shareholding %
* Mr. P. P. Testaferrata Moroni Viani			
* Mr. C. Testaferrata Moroni Viani	3,140,262	863,572	47.23
Mr. A. P. Demajo	454,368	124,951	6.83
Mr. C. Testaferrata Moroni Viani	84,000	23,100	1.26
Mr. P. P. Testaferrata Moroni Viani	32,100	8,828	0.48
Totals	**3,710,730**	**1,020,451**	**55.81**

* The indirect interests of Mr. Peter Paul Testaferrata Moroni Viani and Mr. Christopher Testaferrata Moroni Viani shown above against their joint name arise due to shareholdings in the same companies that directly or indirectly have an interest in the number of shares shown.

DIRECTORS' REPORT – continued

DIRECTORS' INTERESTS – continued

No Director has a contract of service with the Company. The Company has not entered into any commitments on behalf of, or made any loans to, the Directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act (Cap. 386 of the Laws of Malta) to prepare financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"), which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss of the Company for the year then ended. In preparing the financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern;
- account for income and charges relating to the accounting year on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting year.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Directors to ensure that the financial statements comply with the Companies Act (Cap. 386 of the Laws of Malta). This responsibility includes designing, implementing and maintaining such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 30th April 2020, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and

- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

DIRECTORS' REPORT – continued

GOING CONCERN

The Directors, as required by Listing Rule 5.62 have considered the Company's operational performance, the Statement of Financial Position as at year end as well as the business plans for the coming year, and that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

There were no important events or transactions which took place after the financial reporting date which would require disclosure or adjustment to the financial statements.

INFORMATION PURSUANT TO LISTING RULE 5.64

Share capital information is disclosed in note 14. The issued share capital consists of one class of ordinary shares with equal voting rights attached and freely transferable. The list of shareholders holding 5% or more of the equity share capital is disclosed in Note 20 of the Financial Statements.

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders (in line also with general and commonly accepted practice in Malta). The appointment/removal of Directors requires the majority of the members present at the annual general meeting.

The Company cannot issue shares that would dilute substantial interest without the prior consent of the shareholders. The Directors are empowered to wholly allot for cash shares that do not exceed the authorised share capital of the Company.

It is hereby declared that as at 30 April 2020, information required under Listing Rules 5.64.2, 5.64.4, 5.64.5, 5.64.6, 5.64.7, 5.64.10 and 5.64.11 are not applicable to the Company.

AUDITORS

Ernst & Young Malta Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed to the Company at the forthcoming annual general meeting.

The Directors' Report was approved by the Board of Directors and was signed on its behalf by:

MR. ANTHONY P. DEMAJO
Chairman

MR. MARIO P. GALEA
Director

27th August 2020

CORPORATE GOVERNANCE STATEMENT

Given that the Company's securities are traded on the Malta Stock Exchange, the Company is subject to The Code of Principles of Good Governance ("the Code") applicable to listed companies. The adoption of the Code is not mandatory but listed companies are required under the Listing Rules issued by the Listing Authority to include a Statement of Compliance with the Code in their Annual Report, accompanied by a report of the independent auditor.

The Board has considered the principles embodied in the Code and noted the Code's recommended practices. During the year under review the Company has been in compliance with the Code to the extent that is considered adequate bearing in mind the size and nature of the Company's operations. Instances of divergence from the code are disclosed and explained below.

PRINCIPLE 1-5: BOARD OF DIRECTORS

The Company's Board is composed of four non-executive Directors and one independent non-executive Director under the Chairmanship of Mr. Anthony P. Demajo. The Board is entrusted with the overall direction and management of the Company, including the establishment of strategies for future development and the approval of any proposed property acquisitions and developments. The Company is a Property Company which does not require a complex management structure, accordingly, the role of the Chairman and the Chief Executive Officer are combined. The Board has indicated Mr. Mario P. Galea as the independent non-executive member.

Its responsibilities also involve the overseeing of the Company's internal control procedures and financial performance, and review of business risks facing the Company, ensuring that these are adequately identified, evaluated, managed and minimised. All Directors have access to independent financial advice at the expense of the Company should they require.

During the year under review the Board met four times to discuss the operations and strategy of the Company. The attendance of Directors to the Board meetings is listed below.

Mr. Anthony P. Demajo	4
Mr. Peter Paul Testaferrata Moroni Viani	3
Mr. Christopher Testaferrata Moroni Viani	4
Mr Norbert Tabone	4
Mr Mario P. Galea	4
Mr. Michael Pace Ross (resigned 11 October 2019)	2
Mr. Roberto Buontempo (appointed 11 October 2019)	2

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Company's management ensures that it provides Directors with relevant information to enable them to effectively contribute to Board decisions. All Directors have access to independent financial advice at the expense of the Company should they require.

PRINCIPLE 8: BOARD COMMITTEES

Investment Committee

The Investment committee is responsible for overseeing the maintenance, investment and reinvestment of the Company's assets covering both the Company's property holdings and its equity and bond portfolio. Whilst actively managing the securities portfolio, any property investment decisions are referred back to the Board who always take the final decision on any property related matters. The Committee is chaired by Mr. Anthony P. Demajo and has Mr. Christopher Testaferrata Moroni Viani and Mr. Michael Formosa Gauci as members.

CORPORATE GOVERNANCE STATEMENT – continued

PRINCIPLE 8: BOARD COMMITTEES – continued

Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities in dealing with issues of risk, control and governance and to oversee and review the financial reporting process, financial policies and internal control structure. The Committee also oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the auditors. In addition, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee, which is composed of one independent non-executive Director and two non-executive Directors, meets regularly in terms of the Code. During the year under review Mr. Mario P. Galea served as Chairman and Mr Norbert Tabone together with initially Mr. Michael Pace Ross and subsequently Mr. Roberto Buontempo served as members. Mr. Michael Formosa Gauci acted as secretary to the Audit Committee. The Committee has met on four occasions during the financial year end under review.

The Board, in terms of Listing Rule 5.118, has indicated Mr. Mario P. Galea as the independent non-executive member of the Audit Committee who is considered to be competent in accounting and auditing in view of his considerable experience at a senior level in the audit and advisory field.

PRINCIPLE 9 AND 10: RELATIONS WITH SHAREHOLDERS

The Directors consider that the Board properly serves the legitimate interests of all stakeholders in the Company through representation of the shareholders on the Board. Shareholders are also given the opportunity to ask questions at the AGM or submit written questions in advance. The Chairman makes arrangements for the chairman of the Audit Committee to be available to answer questions, if necessary.

The Board ensures that there is sufficient communication with all stakeholders through regular statements on the MSE website and information on areas such as corporate governance and financial statements to be found on the Company website at www.santumasmalta.com

PRINCIPLE 11: CONFLICTS OF INTEREST

The Directors, members of the Board sub-committee of the Company are or may be involved as Directors or shareholders of or consultants to other companies which deal in similar investments as the Company. Should an actual or potential conflict arise during the tenure of the directorship, a Director will disclose and record the conflict in full and in time to the Board of Directors. Such Director will not participate in discussions concerning matters in which he has a conflict of interest unless the Board finds no objection to the presence of such Director. In any event, the Director will refrain from voting on the matter.

The Audit Committee of the Company has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Company and according to law. The independent non-executive Director on the Audit Committee provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to adhere to sound principles of corporate social responsibility by conducting its operations in an ethical manner. The Board is mindful of the environment and its responsibility within the community in which it operates.

CORPORATE GOVERNANCE STATEMENT - continued

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

This information is being provided in terms of Listing Rule 5.97.4.

The Company is a Property company which does not require an elaborate management structure. The Board of Directors is responsible for the general management of the Company whilst the day to day management has been delegated to the Company Secretary and certain functions to the Board sub-committees. The Directors believe that the current organisational structures are adequate for the current activities of the Company. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business.

GENERAL MEETINGS

This information is being provided in terms of Listing Rule 5.97.6.

The manner in which the general meeting is conducted is outlined in Articles of the company's Articles of Association, subject to the provisions of the Companies Act, Cap.386 of the Laws of Malta.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Listing Rules, have the right to attend, participate and vote in the general meeting. A shareholder or shareholders holding not less than 5% in nominal value of all the shares entitled to vote at the general meeting may request the Company to include items on the agenda of a general meeting and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty-six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or such persons as the Directors may delegate for that purpose.

NON-COMPLIANCE WITH THE CODE

PRINCIPLE 1-5: BOARD OF DIRECTORS

As detailed above under the heading "Internal Control and Risk Management System" the size of the Company and its level of activity do not justify an elaborate management structure. The Board of Directors are actively involved in the general management of the Company and therefore fully cognisant of all its activities.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

Full adherence by the Company with the provisions of Principle 6 of the Code is not deemed necessary taking into account the size, nature and operations of the Company. The Company does not feel the need to establish and/or implement a succession plan for senior management in light of its existing organisational structures though such structure will be kept under continuous review so as to meet the changing demands of the business.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role as the Board's performance is always under the scrutiny of the shareholders.

CORPORATE GOVERNANCE STATEMENT - continued

NON-COMPLIANCE WITH THE CODE - continued

PRINCIPLE 8: COMMITTEES

The Company does not have a Remuneration Committee as recommended by Principle 8. The Company does not have any employees other than the Company Secretary and a full time employee engaged to carry out general secretarial duties. In such circumstances it is felt that any remuneration related matters are best dealt with by the Board.

The Company does not have a Nomination Committee as recommended by Principle 8. Appointments to the Board of Directors of the Company are determined by shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

Approved by the Board of Directors on 27th August 2020 and signed on its behalf by:

MR. ANTHONY P. DEMAJO
Chairman

MR. MARIO P. GALEA
Director

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc

Report on the audit of the financial statements

Opinion

We have audited the separate financial statements of Santumas Shareholdings plc (the "Company"), set on pages 19 to 47, which comprise the Statement of Financial Position as at 30 April 2020, and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 April 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Companies Act. Our responsibilities under those standards and under the Companies Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on the audit of the financial statements - continued

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment property

The investment properties represent a significant part of the total assets (41%) of the Company and is valued at fair value for an amount of €4.85million as at 30 April 2020.

Management is determining fair value of its investment property on an annual basis. For all investment property except for ground rents, management has used the valuation carried out by external valuers as at 30 April 2020. For the valuation of ground rents, management used the capitalization method by applying a discount factor to the future rental cashflows. The valuation of the investment property at fair value is highly dependent on estimates and assumptions such as market knowledge and historical transactions (comparable method) and rental value and discount rates (capitalization method).

Given the size, complexity and sensitivity of the valuation of investment property and the information provided by means of disclosure in Note 9 of these financial statements in relation to the main assumptions used in the valuation, we addressed this as a key audit matter.

Our audit procedures over the valuation of investment property included amongst others:

- Where the capitalization model was used (valuation of ground rents), we included a valuation specialist on our team to assist us in evaluating the key assumptions and estimates used in the model by comparing to independent sources and local real estate market data and conditions. We have also assessed the completeness, relevance and accuracy of the rental values underlying the model with the related rental contracts and agreements in place, taking into consideration the current market rental yields.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on the audit of the financial statements - continued

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud - continued

Valuation of investment property – continued

- Where the comparable model was used (land and buildings), we have obtained an understanding of the scope of work of external valuers by reviewing the current year's valuation report. Furthermore, we have included a valuation specialist on our team to assist us in evaluating the reasonability and relevance of key assumptions and estimates applied in the market value approach by comparing to the proprietary property databases and market research; and
- Where external valuers were used, we have considered the independence and expertise of the external valuers.

We have also assessed the company's disclosures relating to the assumptions used in the valuation of investment property presented in note 9 to the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and the requirements of the Companies Act respectively and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on the audit of the financial statements - continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on the audit of the financial statements – continued

Auditor's responsibilities for the audit of the financial statements - continued

- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

Directors' report

We are required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the Directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

Other requirements

We also have responsibilities under the Companies Act to report if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

Appointment

We were appointed as the statutory auditor by the General Meeting of Shareholders of the Company on 1 May 2004. The total uninterrupted engagement period as statutory auditor, including previous renewals and reappointments amounts to 16 years.

Consistency with the additional report to the audit committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which was issued on the same date as this report.

Non-audit services

No prohibited non-audit services referred to in Article 18A (1) of the Accountancy Profession Act, Cap. 281 of the Laws of Malta were provided by us to the Company, and we remain independent of the Company as described in the Basis for opinion section of our report. No other services besides statutory audit services and services disclosed in the annual report and in the financial statements were provided by us to the Company..

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Santumas Shareholdings plc – continued

Report on other legal and regulatory requirements – continued

Matters on which we are required to report by the Listing rules

Corporate governance statement

The Listing Rules issued by the Malta Listing Authority require the directors to prepare and include in their annual report a statement of compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the statement of compliance prepared by the directors. We are also required to express an opinion as to whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified material misstatements with respect to the information referred to in Listing Rules 5.97.4 and 5.97.5.

We read the statement of compliance and consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the annual report. Our responsibilities do not extend to considering whether this statement is consistent with the other information included in the annual report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the statement of compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's governance procedures or its risk and control procedures.

In our opinion:

- the corporate governance statement set out on pages 8 to 11 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority
- in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit the information referred to in Listing Rules 5.97.4 and 5.97.5 are free from material misstatement

The partner in charge of the audit resulting in this independent auditor's report is Shawn Falzon for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

27 August 2020

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 April 2020

	Notes	2020 EUR	2019 EUR
REVENUE			
Investment income	4	**485,704**	690,558
(Decrease)/increase in fair values of financial assets	11	**(1,027,656)**	63,110
Increase in fair value of investment properties	9	**5,000**	98,100
Total revenue		**(536,952)**	851,768
EXPENSES			
Administrative expenses	5	**(137,423)**	(132,810)
Total expenses		**(137,423)**	(132,810)
(Loss)/profit before tax		**(674,375)**	718,958
Income tax expense	7	**(150,838)**	(134,712)
(Loss)/profit for the year		**(825,213)**	584,246
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Revaluation of property, net of tax		**-**	11,420
Total comprehensive (loss)/income for the year		**(825,213)**	595,666
(Loss)/profit per share	8	**(0.113)**	0.080

The accounting policies and explanatory notes on pages 23 to 47 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 April 2020

	Notes	2020 EUR	2019 EUR
ASSETS			
Non-current assets			
Investment properties	9	**4,850,029**	4,850,664
Property, plant and equipment	10	**161,808**	170,000
Financial assets at fair value through profit or loss	11	**6,313,194**	7,110,944
		11,325,031	12,131,608
Current assets			
Financial assets at fair value through profit or loss	11	**-**	16,700
Receivables	12	**61,384**	87,276
Cash and cash equivalents	13	**452,945**	412,906
		514,329	516,882
Total assets		**11,839,360**	12,648,490
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	**2,011,384**	1,828,526
Share premium	15	**262,746**	262,746
Revaluation reserve	15	**130,993**	134,687
Other reserves	15	**4,594,183**	5,144,930
Retained earnings	15	**4,136,998**	4,590,628
		11,136,304	11,961,517
Non-current liabilities			
Deferred tax liability	16	**487,127**	487,127
Current liabilities			
Payables	17	**199,627**	185,200
Income tax payable		**16,302**	14,646
		215,929	199,846
Total liabilities		**703,056**	686,973
Total equity and liabilities		**11,839,360**	12,648,490
Net asset value per share	18	**1.523**	1.635

The accounting policies and explanatory notes on pages 23 to 47 form an integral part of the financial statements.

The financial statements on pages 19 to 47 were authorised for issue by the Board of Directors on 27th August 2020 and signed on its behalf by:

MR. ANTHONY P. DEMAJO
Chairman

MR. MARIO P. GALEA
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2020

	Issued capital EUR	Share premium EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Total EUR
FINANCIAL YEAR ENDED 30 April 2020						
At 1 May 2019	1,828,526	262,746	134,687	5,144,930	4,590,628	11,961,517
Profit for the year	-	-	-	-	(825,213)	(825,213)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	**(825,213)**	**(825,213)**
Bonus shares (Note 14 & Note 23)	182,858	-	-	-	(182,858)	-
Depreciation transfer for land and building, net of tax	-	-	-	(5,072)	5,072	-
Fair value realisation of ground rents, net of tax	-	-	(3,694)	-	3,694	-
Decrease in fair value of financial assets	-	-	-	(550,175)	550,175	-
Increase in fair value of investment property net of deferred tax	-	-	-	4,500	(4,500)	-
At 30 April 2020	**2,011,384**	**262,746**	**130,993**	**4,594,183**	**4,136,998**	**11,136,304**
FINANCIAL YEAR ENDED 30 April 2019						
At 1 May 2018	1,828,526	262,746	126,949	4,640,553	4,507,077	11,365,851
Profit for the year	-	-	-	-	584,246	584,246
Other comprehensive income	-	-	11,420	-	-	11,420
Total comprehensive income/(loss)	-	-	**11,420**	-	**584,246**	**595,666**
Bonus shares (Note 14 and Note 23)	-	-	-	-	-	-
Depreciation transfer for land and building, net of tax	-	-	(3,682)	-	3,682	-
Fair value realisation of ground rents, net of tax	-	-	-	(18,135)	18,135	-
Decrease in fair value of financial assets	-	-	-	433,822	(433,822)	-
Increase in fair value of investment property net of deferred tax	-	-	-	88,690	(88,690)	-
At 30 April 2019	**1,828,526**	**262,746**	**134,687**	**5,144,930**	**4,590,628**	**11,961,517**

The accounting policies and explanatory notes on pages 23 to 47 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 April 2020

	Notes	2020 EUR	2019 EUR
Operating activities			
Profit/(loss) before tax		**(674,375)**	718,958
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation of property, plant and equipment	10	**8,192**	6,920
Decrease/(increase) in fair value of financial assets	11	**1,027,656**	(63,110)
Gain on disposal of financial assets	4	**(16,320)**	(9,286)
Increase in fair value of investment properties	9	**(5,000)**	(98,100)
Gain on redemption of ground rent	4	**5,635**	-
Interest income	4	**(23,080)**	(33,073)
Dividend income	4	**(403,873)**	(234,666)
Working capital adjustments:			
Decrease/(increase) in receivables		**9,118**	7,816
Increase in payables		**14,427**	587
Interest income received		**25,762**	32,220
Dividend income received		**279,774**	148,114
Income tax paid		**(11,100)**	(64,602)
Net cash flows generated from operating activities		**236,816**	430,350
Investing activities			
Purchase of financial assets		**(672,432)**	(409,634)
Proceeds from disposal and maturities of financial assets		**475,655**	193,257
Redemption of ground rents		**-**	-
Net cash flows used in investing activities		**(196,777)**	(216,377)
Net increase in cash and cash equivalents		**40,039**	213,973
Cash and cash equivalents at 1 May		**412,906**	198,933
Cash and cash equivalents at 30 April	13	**452,945**	412,906

The accounting policies and explanatory notes on pages 23 to 47 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Santumas Shareholdings PLC (the "Company") is a public limited company incorporated and domiciled in Malta whose shares are publicly traded. The registered office is located at Britannia House /1, 9 Old Bakery Street, Valletta VLT 1450, Malta.

The principal activity of the Company was to carry out investment activities as a Collective Investment Scheme as licensed by the Malta Financial Services Authority. On 9 October 2014, the Company has surrendered its license as a collective investment scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act, 1995 (Cap 386 of the Laws of Malta).

Basis of measurement
The financial statements are prepared under the historical cost convention, except for leasehold property under property, plant and equipment, investment properties and financial assets at fair value through profit and loss that have been measured at fair value. The financial statements are presented in euro (EUR).

Going Concern
These financial statements have been prepared on a going concern basis, which assumes that the company will continue in existence for the foreseeable future.

Covid-19 impact
The Company's Directors have concluded that Covid-19, albeit it affected the operations of the company, it does not impact the going concern of the company given the quality and underlying strength of its asset holdings.

To date the Company's property portfolio has escaped relatively unscathed however should the current crisis prolong itself it is likely that the value of the property holdings will suffer. The recovery of the equity portfolio is also dependent on the COVID-19 situation which is an unprecedented crisis and naturally it has brought uncertainty in the market. However, all of this is not expected to significantly affect the cashflow performance of the entity, given that any impact on the financial performance and position of the Company will be of an unrealised nature.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, interpretations and amendments to published standards as adopted by the European Union effective during the year ended 30 April 2020

- IFRS 16 - Leases (Effective for financial years on or after 1 January 2019)
- IFRS 9 (Amendments) - Prepayment Features with Negative Compensation (Effective for financial years on or after 1 January 2019)
- IAS 19 (Amendments) - Plan Amendment, Curtailment or Settlement (Effective for financial years on or after 1 January 2019)
- IAS 28 (Amendments) - Long-term Interests in Associates and Joint Ventures (Effective for financial years on or after 1 January 2019)
- IFRIC 23 - Uncertainty over Income Tax Treatments (Effective for financial years on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Effective for financial years on or after 1 January 2019)

NOTES TO THE FINANCIAL STATEMENTS – continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – continued

Standards, interpretations and amendments to published standards as adopted by the European Union effective during the year ended 30 April 2020- continued

During the financial year under review, the company adopted new standards, amendments and interpretations to the existing standards that are mandatory for the company's accounting period starting 1 May 2019. Other than as described below, the adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies.

IFRS 16 Leases:

The Company applied IFRS 16 for the first time. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Company has lease contracts for items of property. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

Standards, interpretations and amendments to published standards as adopted by the European Union that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Amendments to References to the Conceptual Framework in IFRS Standards (Effective for financial years on or after 1 January 2020)
- IFRS 3 (Amendments) - Business Combinations (Effective for financial years on or after 1 January 2020)
- IFRS 9, IAS 39 and IFRS 7(Amendments)-Interest Rate Benchmark Reform (Effective for financial years on or after 1 January 2020)
- IAS 1 and IAS 8 (Amendments)- Definition of Material (Effective for financial years on or after 1 January 2020)

The changes resulting from these standards are not expected to have a material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – continued

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet endorsed by the EU

- IFRS 17 – Insurance Contracts (effective for financial years on or after 1 January 2023)
- IFRS 4 (amendments) - Insurance Contracts - deferral of IFRS 9 (effective for financial years on or after 1 January 2021)
- IFRS 3 (Amendments) - Business Combinations, IAS 16 - Property, Plant and Equipment, IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020 (Effective for financial years on or after 1 January 2022)
- IAS 1 (Amendments) Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Effective for financial years on or after 1 January 2022
- IFRS 16 (Amendments)- Leases Covid-19 - Related Rent Concessions (effective for financial years on or after 1 June 2020)

The adoption of the above-mentioned standards, interpretations and amendments are not expected to have an impact on the financial statements or performance of the company.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is reliably measured. The following specific revenue criteria must also be met before revenue is recognised:

Interest income

Interest income is included in the Statement of Comprehensive Income on an accruals basis using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Investment income

Ground rents and other rents are included in the Statement of Comprehensive Income on an accrual basis.

Dividend income is included in the Statement of Comprehensive Income when the right to receive the payment is established.

Upon disposal of investment properties consisting of land, leasehold property and ground rents capitalised, the difference between the proceeds from disposal and the carrying amount is recognised as a gain or loss through the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred taxation is provided using the liability method, on temporary differences, at the reporting date, arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current assets. Such deferred tax is charged or credited directly to the Statement of Comprehensive Income and is charged or credited directly to equity if the tax relates to items that are credited or charged in the same or a different period, directly to equity.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

Foreign currency translation

The financial statements are presented in Euro, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year-end date. All differences are taken to the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fair value measurement

The Company measures financial instruments, such as investment properties, leasehold properties under property and equipment and financial assets at fair value through profit or loss at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of investment properties and leasehold properties at least every two years or earlier whenever their fair values differ materially from their carrying amounts.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Leases

Applicable up to 30 April 2019

Company as a lessor

Rental income from operating leases were recognised as rental income in the income statement over the lease term.

Applicable from 1 May 2019

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investment properties consisting of land, buildings and leasehold property

Investment properties, consisting of properties not occupied by the Company and held to earn rentals and for capital appreciation, are regarded as long-term investments. All investments are measured initially at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the year-end date. This is based on market valuations performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date.

Gains or losses on changes in the fair values of investment properties are taken to the Statement of Comprehensive Income in accordance with IAS 40 "Investment Properties". Unrealised gains are subsequently transferred to other reserves in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Comprehensive Income in the year of retirement or disposal.

Investment properties consisting of ground rents capitalised

On 30 April 1990, the Directors capitalised the ground rents. The value of this asset was included with long term assets with a resultant increase in the capitalisation reserve included within other reserves.

Subsequent to initial recognition, investment properties are measured at fair value using the Capitalisation approach. The capitalisation rate for non-revisable ground rents is determined by reference to local legislation whilst the capitalisation rate for revisable ground rents is based on inputs that reflect the current market conditions.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Leasehold property is subsequently measured at revalued amount, being its fair value at the date of revaluation less depreciation and impairment. All other property, plant and equipment, are subsequently stated at cost amounts less accumulated depreciation and accumulated impairment in value, if any.

Leasehold premises consist of property that is occupied by the Company as its offices. It is Company policy to carry out a professional market valuation of leasehold every two years or earlier which is frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. To the extent that a revaluation results in an increase in the carrying amount of the asset, the increase is credited to the revaluation reserve within equity. To the extent that a revaluation results in a decrease in the carrying amount of the asset, the decrease is charged against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; any excess of the decrease is taken to the Statement of Comprehensive Income. The accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Depreciation of property, plant and equipment

Depreciation is provided on property, plant and equipment, other than leasehold property, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over the expected useful life.

The annual rates used for this purpose are:

	%
Improvements to premises	10.0
Fixtures and Fittings	15.0
Equipment	33.3

Depreciation is provided on leasehold property to write off the valuation on a straight-line basis over the remaining period of the lease. Each year, the difference between the depreciation based on the revalued carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income) and depreciation based on the asset's original cost, is transferred from the revaluation reserve to retained earnings

Impairment of non-financial assets

The Company assesses at each reporting date whether there are indications of impairment for all non-financial assets. If any such amount exists, or when impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Initial recognition and measurement

Financial assets are classified at initial recognition, at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cashflows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments – continued

(a) Financial Assets – continued

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Financial assets at amortised cost (debt instruments);
ii. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
iv. Financial assets at fair value through profit or loss

The company holds no financial assets through categories i), ii), and iii), except for receivables, measured at amortised cost. All other financial assets of the company have been designated at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost are the receivables as per note 12 include receivables.

Fair Value through profit and loss

This category is the most relevant to the Company, as all financial assets are measured at fair value through profit and loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. For debt instruments, if the business model does not fall within the category of 'hold to collect' or 'hold to collect and sell' then such debt instrument is recognised and classified at fair value through profit or loss ('FVTPL'). Furthermore, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments – continued

(a) Financial Assets- continued

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(c) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities are made up of payables.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments – continued

(b) Financial Liabilities - continued

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial Liabilities at fair value through profit and loss;
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

(c) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is currently a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents are composed of cash at bank and short-term deposits. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date," that is, the date the Company commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made.

Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Employee benefits

The Company contributes towards the State pension in accordance with local legislation. Short-term employee benefit obligations are measured on undiscounted basis and recognised as an expense in the Statement of Comprehensive Income in the period they are incurred.

Events after the reporting date

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Adjusting events require the Company to adjust the amounts recognised in its financial statements while non-adjusting events do not require any adjustments to the amounts recognised in the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the Directors are required to make judgments, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known. The most significant judgements and estimates are as follows:

Revaluation of property, plant and equipment and fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the Profit and Loss Account. In addition, it measures land and buildings, including leasehold properties, at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. This is based on market valuations performed by independent professional architects at least every two years or earlier whenever their fair values differ materially from their carrying amounts. In a year when market valuations are not performed by the independent professional architect, an assessment of the fair value of investment properties consisting of land and building is performed to reflect market conditions at the year-end date.

The last market valuation was performed in April 2020 and the Company recognised the fair values of investment properties and property, plant and equipment (notes 9 and 10). In the opinion of the management, except for the above, the accounting estimates, assumptions and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised)- 'Presentation of Financial Statements'.

NOTES TO THE FINANCIAL STATEMENTS – continued

4. INVESTMENT INCOME

	2020 EUR	2019 EUR
Dividends income	**403,873**	234,666
Interest income	**23,080**	33,073
Ground rents	**33,633**	34,208
Gain on disposal of financial assets	**16,320**	9,286
Other income (note i)	**8,798**	379,325
	485,704	690,558

i. Other income includes income from concession of contractual rights on certain properties.

5. EXPENSES BY NATURE

	2020 EUR	2019 EUR
Staff costs (note 6a)	**48,115**	48,825
Auditor's remuneration	**13,255**	14,720
Depreciation of property, plant and equipment (note 10)	**8,192**	6,920
Registration fees	**11,180**	8,028
Directors' remuneration	**22,800**	22,800
Professional and legal fees	**10,604**	9,732
Other administrative expenses	**23,277**	21,785
Total administrative expenses	**137,423**	132,810

Professional fees also include remuneration payable to the Company's auditors as follows:

	2020 EUR	2019 EUR
Tax compliance	**1,000**	1,000

NOTES TO THE FINANCIAL STATEMENTS – continued

6. EMPLOYEE INFORMATION

a. Staff costs

The total employment costs were as follows:

	2020 EUR	2019 EUR
Salaries	**44,528**	45,374
Social security costs	**3,587**	3,451
	48,115	48,825

b. Staff numbers

The average number of persons employed by the Company during the year was as follows:

	2020 Number	2019 Number
Administration	**2**	2

7. INCOME TAX EXPENSE

The components of income tax expense for the year ended 30 April are:

	2020 EUR	2019 EUR
Income tax expense		
Current income tax charge	**150,838**	127,189
Deferred tax charge (note 16)	-	7,523
Income tax expense	**150,838**	134,712

The income tax on profit differs from the theoretical income tax expense that would apply on the Company's profit before tax using the applicable tax rate in Malta of 35% (2019: 35%) as follows:

	2020 EUR	2019 EUR
Profit/(loss) before tax	**(674,375)**	718,958
Theoretical tax (credit)/expense at 35%	**(236,031)**	251,635
Tax effect of		
- income subject to lower tax rate	**(14,839)**	(134,550)
- Losses not subject to tax	**725**	-
- expenses not deductible for tax purposes	**48,098**	46,901
- investment income not subject to further tax	**352,420**	(32,296)
- others	**465**	3,022
Income tax expense	**150,838**	134,712

NOTES TO THE FINANCIAL STATEMENTS – continued

8. (LOSS)/PROFIT PER SHARE

The (loss)/profit per share of EUR0.113 (2019: EUR0.080) is calculated on the (loss)/profit for the year attributable to the ordinary shareholders, divided by the average number of ordinary shares in issue and ranking for dividend during the year.

	2020 EUR	2019 EUR
(Loss)/profit for the year	**(825,213)**	584,246

	2020 Number	2019 Number*
Ordinary shares in issue	**7,314,122**	7,314,122

	2020 EUR	2019 EUR
(Loss)/profit per share	**(0.113)**	0.080

* The bonus issue (note 14 and 23) has increased the number of shares in issue as ordinary shares were issued to existent shareholders for no additional consideration. Such additional shares were treated as having been in issue for the whole year and included in the EPS calculation of all earlier periods presented so as to give a comparable result.

9. INVESTMENT PROPERTIES

	Land and buildings EUR	Ground rents capitalisation EUR	Total EUR
At 30 April 2018	3,217,100	1,555,614	4,772,714
Redemptions	-	(20,150)	(20,150)
Increase in fair value	98,100	-	98,100
At 30 April 2019	3,315,200	1,535,464	4,850,664
Redemptions	-	**(5,635)**	**(5,635)**
Increase in fair value	**5,000**	-	**5,000**
At 30 April 2020	**3,320,200**	**1,529,829**	**4,850,029**

Land and Buildings include leasehold properties with a carrying amount of EUR80,000 (2019: EUR75,000). Leasehold property is classified as investment properties when the property is held for capital appreciation and for which a market exists.

NOTES TO THE FINANCIAL STATEMENTS – continued

9. INVESTMENT PROPERTIES – continued

a. Land and building

Valuation process

Market valuations, with respect to investment property excluding ground rents, are performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date.

An independent valuation of the Company's investment property, land and buildings, was performed by valuers to determine the fair value as at 30 April 2020. The fair value movements were credited to profit and loss and subsequently transferred to other reserves under equity. As at 30 April 2020, management also assessed whether there are any significant changes to the significant inputs of the valuation.

Valuation techniques and inputs

The Company's investment property land and buildings consists mainly of plots of land with a carrying amount of EUR2,500,200 (2019: EUR2,500,200) together with other commercial buildings with a carrying amount of EUR820,000 (2019: EUR815,000). The investment property that has been valued using the comparable method has been categorised to fall within level 2 of the fair valuation hierarchy whilst investment property valued using the capitalisation method is classified within level 3 of the aforementioned hierarchy. The different levels in the fair value hierarchy have been defined in Note 9c.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year. For all properties, their current use equates to the highest and best use.

For level 2 fair value of the investment property land and buildings, the valuation was determined primarily by the comparable method together with the capitalisation method which are based on directly or indirectly observable inputs which do not require a significant level of adjustments.

As at 30 April 2020	**Comparable method EUR**	**Total EUR**
Plots of land	**2,500,200**	**2,500,200**
Commercial buildings	**820,000**	**820,000**
	3,320,200	**3,320,200**

As at 30 April 2019	Comparable method EUR	Total EUR
Plots of land	2,500,200	2,500,200
Commercial buildings	815,000	815,000
	3,315,200	3,315,200

Comparable method
Market prices based on database of valuations and sales of properties in the relevant area.

NOTES TO THE FINANCIAL STATEMENTS – continued

9. INVESTMENT PROPERTIES – continued

b. Ground rents

Valuation process

For the valuation of ground rents, on an annual basis, management reviews the major inputs used in the calculation of the fair value in line with local legislation and market conditions. Ground rents on property are received annually into perpetuity. Ground rent income relates to ground rent capitalisation.

These ground rents are redeemable and the ground rent capitalisation represents the redemption amount or the present value of the expected cash flows. The valuation of ground rents is determined by the capitalisation method, as explained for land and buildings. The capitalisation rate for non-revisable ground rents is determined by reference to local legislation whilst the capitalisation rate for revisable ground rents is based on inputs that reflect the current market conditions.

Capitalisation method:

Future rental cash inflows	based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;
Capitalisation rates	based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Valuation techniques and inputs

Information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value EUR	**Range of significant unobservable Capitalisation rate**
30 April 2020	**1,529,829**	**3% - 5%**
30 April 2019	1,535,464	3% - 5%

c. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of investment property by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	**Level 1 EUR**	**Level 2 EUR**	**Level 3 EUR**
Fair value as at 30 April 2020	**4,850,029**	**-**	**3,320,200**	**1,529,829**
Fair value as at 30 April 2019	4,850,664	-	3,315,200	1,535,464

For each valuation of investment property classified under as Level 3, annual rent or ground rent and capitalisation rate have been determined to be the significant unobservable inputs. The higher the annual rent or ground rent, the higher the fair value will be and conversely the lower the annual rent or ground rent, the lower the fair value. The lower the capitalisation rate, the higher the fair value will be and conversely the higher the capitalisation rate, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS – continued

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and improvements EUR	Fixtures fittings and equipment EUR	Total EUR
Cost or valuation			
At 30 April 2018	188,347	35,479	223,826
Revaluation	11,920	-	11,920
Transfer*	(4,773)	-	(4,773)
At 30 April 2019	195,494	35,479	230,973
Revaluation	-	-	-
Transfer*	-	-	-
At 30 April 2020	**195,494**	**35,479**	**230,973**
Depreciation			
At 30 April 2018	23,347	35,479	58,826
Charge for the year	6,920	-	6,920
Transfer*	(4,773)	-	(4,773)
At 30 April 2019	25,494	35,479	60,973
Charge for the year	8,192	-	8,192
Transfer*	-	-	-
At 30 April 2020	**33,686**	**35,479**	**69,165**
Net book value			
At 30 April 2020	**161,808**	-	**161,808**
At 30 April 2019	170,000	-	170,000

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Leasehold buildings were acquired in the financial year ended 30th April 1993 at a cost of EUR34,097. The remaining life of the lease is 33 years. The Company uses the revaluation model for leasehold buildings.

These leasehold buildings were last revalued in April 2020 at EUR170,000 (2019: EUR170,000). An independent valuation of the leasehold buildings was performed by same valuers for investment property land and building. The valuation for this commercial building was determined by the comparable method. It has been categorised to fall within Level 2 of the fair valuation hierarchy. There were no transfers between levels during the year. The different levels in the fair value hierarchy have been defined in Note 9c.

Had leasehold buildings not been included in the financial statements at revaluation less accumulated depreciation, the carrying amount at 30th April 2020, based on cost less accumulated depreciation charged on cost, would have been EUR18,076 (2019: EUR18,759).

Fully depreciated fixtures, fittings and equipment are still in use.

NOTES TO THE FINANCIAL STATEMENTS – continued

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 EUR	2019 EUR
Non-current	**6,313,194**	7,110,944
Current	-	16,700
	6,313,194	7,127,644

The table below analyses the nature of the financial assets:

	2020 EUR	2019 EUR
Equity securities	**4,457,908**	4,601,860
Bonds	**490,861**	875,606
Managed funds	**1,364,425**	1,650,178
	6,313,194	7,127,644

a) Fair values:

	2020 EUR	2019 EUR
Local		
Quoted on the Malta Stock Exchange	**6,281,300**	7,095,198
Unquoted	**31,894**	32,446
	6,313,194	7,127,644

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Fair value as at 30 April 2020	**6,313,194**	**4,916,875**	**1,364,425**	**31,894**
Fair value as at 30 April 2019	7,127,644	5,445,021	1,650,177	32,446

Included with the financial assets classified as Level 2, is a Professional Investor Fund, the price of which started being quoted annually as from October 2014 and on ad hoc basis when there is an entry or exit of units in that fund. Observable inputs that may otherwise be a Level 1 input will be rendered Level 2 if the information relates to a market that is not active. Accordingly, this investment was transferred from Level 1 in the fair value hierarchy to Level 2 during the financial year end 2015.

NOTES TO THE FINANCIAL STATEMENTS – continued

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – continued

The fair value of financial assets classified as Level 3 was determined by reference to the net asset value of Companies. During the year the Company recognised fair value loss of EUR187 (2019: gain of EUR664) with respect to financial assets classified as Level 3 in the fair value hierarchy. No dividend income was received during 2020 and 2019 from these investments. There were no movements in the holding of these investments during 2020 and 2019.

b) Acquisition cost:

	2020 EUR	2019 EUR
Local		
Quoted on the Malta Stock Exchange	**6,538,043**	6,234,682
Unquoted	**16,894**	16,894
	6,554,937	6,251,576

c) Movement in Fair Value as recorded in the Statement of Comprehensive Income:

	2020 EUR	2019 EUR
Local		
Quoted on the Malta Stock Exchange	**(1,027,811)**	62,446
Unquoted	**155**	664
	(1,027,656)	63,110

d) Reconciliation of fair value of financial assets at fair value through profit or loss:

	2020 EUR	2019 EUR
At 1 May	**7,127,644**	6,837,293
Additions	**672,432**	409,634
Scrip dividend	-	1,578
Maturities and disposals	**(475,655)**	(193,257)
Gain on disposal of financial assets	**16,320**	9,286
(Decrease)/increase in fair value of financial assets	**(1,027,656)**	63,110
At 30 April	**6,313,085**	7,127,644

12. RECEIVABLES

	2020 EUR	2019 EUR
Ground rent receivables (note i)	**25,908**	36,689
Dividends receivable	**16,357**	30,340
Accrued income	**6,391**	9,073
Other receivables	**12,728**	11,174
	61,384	87,276

NOTES TO THE FINANCIAL STATEMENTS – continued

12. RECEIVABLES – continued

(i) Ground rents are received annually and are non-interest bearing. Ground rents receivable are past due but not impaired. The ageing analysis is as follows:

		Past due but not impaired			
	Total EUR	<1 year EUR	1-2 years EUR	2-5 years EUR	>5 years EUR
2020	**25,908**	**8,882**	**4,448**	**7,227**	**5,349**
2019	36,689	13,163	7,815	8,593	7,118

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statement of Cash Flows comprise the following Statement of Financial Position amounts:

	2020 EUR	2019 EUR
Cash at bank	**452,945**	412,906

14. SHARE CAPITAL

	2020 EUR	2019 EUR
Authorised		
8,500,000 (April 2019: 8,500,000) ordinary shares of EUR0.275 (April 2019: EUR0.275) each	**2,337,500**	2,337,500
Issued, called up and fully paid		
7,314,123 (April 2019: 6,649,184) ordinary shares of EUR0.275 (April 2019: EUR0.275) each	**2,011,384**	1,828,526

	2020	2019
	No. of shares	No. of shares
At beginning of the year	**6,649,184**	4,432,788
Bonus Issue (note i)	**664,937**	2,216,396
At end of year	**7,314,123**	6,649,184

i. During the financial year ended 30 April 2020, the company issued 664,937 (2019: 2,216,396) ordinary shares of EUR0.275 (2019: EUR0.275) by way of a bonus issue resulting in an increase in share capital of EUR182,858 (2019: EUR609,509).

NOTES TO THE FINANCIAL STATEMENTS – continued

15. RESERVES

Share premium

The share premium account represents the excess over the nominal value of proceeds from the issue of shares in the Company's capital at a value above nominal value. This reserve is not available for distribution.

Revaluation reserve

This reserve arises from the revaluation of leasehold property. This reserve is not available for distribution.

Other reserves

Other reserves represent unrealised fair value gains on investment properties and financial assets. This reserve is not available for distribution.

Retained earnings

This represents the accumulated realised gains net of unrealised and realised losses of the company.

16. DEFERRED TAX LIABILITY

The liability for deferred taxation for the year is analysed as follows:

	2020	2019
	EUR	EUR
At beginning of the year	**487,127**	479,104
Charged to profit and loss (note 7)	-	7,523
Charged to other comprehensive income	-	500
At end of year	**487,127**	487,127

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2019: 35%), property tax of 10% or 8% (2019: 10% or 8%) and withholding tax of 15% (2019: 15%). Deferred income tax as at 30 April relates to the following:

	2020	2019
	EUR	EUR
Revaluation of leasehold property	**16,181**	17,000
Fair value of investment properties	**469,987**	468,766
Other temporary differences	**959**	1,361
	487,127	487,127

NOTES TO THE FINANCIAL STATEMENTS – continued

17. PAYABLES

	2020 EUR	2019 EUR
Ground rent payables (note i)	**119,385**	105,645
Accruals	**21,246**	20,490
Other payables (note ii)	**58,996**	59,065
	199,627	185,200

(i) Ground rents are paid on demand once they are due and are non-interest bearing. Ground rents are settled upon receipt of claim.

(ii) Other payables are repayable on demand.

18. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue. As at 30 April 2020 the net asset value per share stood at EUR1.523 (2019: EUR1.635).

Net asset value per share is computed by dividing the net assets by the average number of shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the NAV calculation of all earlier periods presented.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has various financial assets such as financial assets at fair value through profit and loss, receivables and cash at bank, which arise directly from its operations. The Company's principal financial liabilities are composed of payables.

The Company did not enter into derivative transactions. It is, and has been throughout the year, the Company's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (which is composed of foreign exchange currency risk, interest rate risk and equity price risk). The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from investments classified as fair value through profit or loss, receivables and deposits with banks.

The Company trades only with recognised and creditworthy third parties. Credit risk relating to financial assets is addressed through careful selection of the issuers of securities bought by the Company. The Company obtains expert technical advice from its stockbrokers and monitors the markets for changes in the credit status of companies in which securities are held.

The maximum exposure to credit risk at the reporting date is the carrying value of bonds as disclosed in notes 11 and each class of financial assets as disclosed in notes 12 and 13. The Directors are of the opinion that these amounts are recoverable in full. Cash at bank are placed with quality financial institutions. Other than ground rents receivable, mentioned in the following paragraph, none of the financial assets are neither past due nor impaired. Therefore, the Company has no significant concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS – continued

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

Credit risk - continued

No provisions have been made against ground rent receivables since the Company is entitled to enforce these amounts on the basis of contracts on which the property giving rise to the ground rents is available as a security.

The Company's exposure to concentration of risk as at 30th April 2020, arising from financial instruments exceeding 10% of the Net Asset Value of the Company with the same counterparty, amounted to EUR1,364,425 (12.25% of NAV) and EUR1,780,444 (15.99% of NAV). As at 30 April 2019, these exposures amounted to EUR1,650,178 (13.80% of NAV) and EUR1,821,258 (15.23% of NAV).

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial liabilities and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of potential borrowing facilities and payables.

Market risk

Market risk is the risk that the fair value of financial assets will fluctuate due to changes in the market variables such as exchange rates, interest rates and equity prices.

Foreign exchange currency risk

The Company has sterling pounds denominated cash in bank equivalent to EUR1,843 (2019: EUR1,833) and transactional currency exposures arising from its US dollar denominated financial assets at fair value through profit or loss with a carrying amount equivalent EUR133,965 (2019: EUR188,536). The Company monitors movements in the currencies in which these assets are held although they do not significantly affect the Company's Statement of Financial Position.

Interest rate risk

The bank overdrafts are subject to rates of interest determined by the banks, which may be revised at the banks' discretion depending on movements in banks' base rates. The Company's favourable bank balances earn interest at rates determined by the banks. In view of the Company's marginal net cash and cash equivalents, the amount of interest rates risk is not considered to be significant.

The Company's financial assets are not significantly influenced by changes in interest rates since most holdings are equity and managed funds. A reasonably possible change in interest rates is not expected to have a significant effect on the fair value of fixed interest rate bonds.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks.

NOTES TO THE FINANCIAL STATEMENTS – continued

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

Market risk - continued

Equity price risk - continued

The effect on the Statement of Comprehensive Income (as a result of a change in the fair value of equity instruments held at fair value through profit or loss at year end) due to a reasonably possible change in the Malta Stock Exchange index, with all other variables held constant is as follows:

	Change in equity price %	Effect on profit before tax EUR'000
2020	**4/-4**	**252/-252**
2019	4/-4	285/-285

Fair value measurement

At 30 April 2020 and 30 April 2019, the carrying amounts of receivables, cash at bank, and payables approximated their fair values. Refer to Notes 9 10 and 11 for fair value techniques and the following fair value measurement hierarchy of investment property, property plant and equipment, and financial assets at fair value through profit or loss.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year ended 30 April 2020 and 30 April 2019.

20. SHAREHOLDINGS

A. Substantial direct interests

As at 30 April 2020

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	**2,977,115**	**818,707**	**40.7**
Mr. Anthony P. Demajo	**500,000**	**137,500**	**6.8**
Archdiocese of Malta	**482,539**	**132,698**	**6.6**
Amalgamated Investments Sicav Plc	**467,561**	**128,579**	**6.4**
	4,427,215	**1,217,484**	**60.5**

B. Composition of shareholding

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	**32**	**13.22%**	**8,989**	**0.1%**
501 - 1,000	**20**	**8.26%**	**15,182**	**0.2%**
1,001 - 5,000	**85**	**35.12%**	**210,927**	**2.9%**
5,001 and over	**105**	**43.40%**	**7,079,024**	**96.8%**
	242	**100%**	**7,314,122**	**100%**

NOTES TO THE FINANCIAL STATEMENTS – continued

20. SHAREHOLDINGS – continued

A. Substantial direct interests

As at 30 April 2019

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	2,706,468	744,279	40.7
Mr. Anthony P. Demajo	454,368	124,951	6.8
Archdiocese of Malta	4438,672	120,635	6.6
Amalgamated Investments Sicav Plc	425,055	116,890	6.4
	4,4024,563	1,106,755	60.5

B. Composition of shareholding

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	32	13.28%	8,469	0.1%
501 - 1,000	23	9.54%	16,722	0.3%
1,001 - 5,000	95	39.42%	253,354	3.8%
5,001 and over	91	37.76%	6,370,639	95.8%
	241	100%	6,649,184	100%

21. RELATED PARTY TRANSACTIONS

The Directors are considered by the Company to be Key Management Personnel. The Directors' remuneration are disclosed in Note 5 of these financial statements.

22. CONTINGENT LIABILITY

The Company has received a notice from the Commissioner of Inland Revenue pursuant to the exemption order of 4 September 2010, in which notice it is allegedly indicated that a tax balance of EUR155,156 (2019: EUR155,156) is due. According to the Company's records, the amount claimed is under dispute in its entirety.

23. DIVIDENDS

During the year the Company issued 664,937 (2019:2,216,396) ordinary shares of EUR0.275 (2019: EUR 0.275) by way of a bonus issue, which capitalisation amounted to EUR182,852 (EUR609,509).

The Directors do not propose any dividends for the financial year ended 30 April 2020.

SUPPLEMENTARY STATEMENTS

OPERATING ACCOUNT

	2020	2019
	EUR	EUR
INVESTMENT INCOME		
Dividends income	**403,873**	234,666
Interest income	**23,080**	33,073
Ground rents	**33,633**	34,208
Gain on disposal of financial assets	**16,320**	9,286
Other income	**8,798**	379,325
	485,704	690,558
ADMINISTRATIVE EXPENSES		
Salaries and NI contribution	**48,115**	48,825
Directors' remuneration	**22,800**	22,800
Malta Stock Exchange fees	**9,980**	6,828
Advertising and Promotional expenses	**3,979**	3,979
Telecommunications	**1,700**	1,640
Water and Electricity	**1,551**	1,623
Stationery and Postages	**1,633**	1,936
Insurances	**500**	539
Professional and Legal fees	**10,604**	9,732
Auditor's remuneration	**13,255**	14,720
Travelling expenses	**5,108**	5,058
Computer operating and leasing expenses	**3,275**	2,200
Annual registration fee	**1,200**	1,200
Sundry expenses	**4,950**	4,745
Depreciation of property, plant and equipment	**8,192**	6,920
Differences on exchange	**-**	(272)
Bank charges	**581**	337
	(137,423)	(132,810)
OPERATING PROFIT	**348,281**	557,748

INVESTMENTS

LOCAL QUOTED

Banks
Bank of Valletta Plc
HSBC Bank Malta Plc
MeDirect Bank Malta Plc

Investment Funds
Amalgamated Investments Sicav Plc

Telecommunications
Loqus Holdings Plc
GO Plc

Technology
BMIT Technologies Plc

Breweries and Beverages
Simonds Farsons Cisk Plc

Insurance
Mapfre Middlesea Plc

Marina Services
Grand Harbour Marina Plc

Airlines and Airports
Malta Int. Airport Plc

Postal Services
MaltaPost Plc

Property Company
Malta Properties Company Plc
Trident Estates plc
Melite Finance Plc

Oil and Gas
Medserv Plc

Retail
PG Plc

LOCAL UNQUOTED

Investment funds
The Malta Development Fund Limited

Insurance
Citadel Insurance Plc

ANALYSIS OF COMPANY PORTFOLIO

	2020 Market value EUR	2020 % of total NCA	2019 Market value EUR	2019 % of total NCA	2018 Market value EUR	2018 % of total NCA
FINANCIAL ASSETS						
Included under Financial assets at fair value through profit and loss						
Banks	**2,116,578**	**18.69**	2,445,806	20.16	2,590,151	22.32
Investment Funds	**1,381,372**	**12.20**	1,666,828	13.74	1,718,955	14.81
Government Stocks	**-**	**0.00**	338,635	2.79	335,005	2.89
Telecommunication Services	**462,860**	**4.09**	535,405	4.41	430,450	3.71
Breweries and Beverages	**298,262**	**2.63**	331,712	2.73	241,725	2.08
Insurance	**354,446**	**3.13**	370,999	3.06	299,719	2.58
Marine Services	**11,250**	**0.10**	11,100	0.09	11,250	0.10
Airlines and Airports	**433,500**	**3.83**	569,500	4.69	411,400	3.54
Postal Services	**60,000**	**0.53**	62,500	0.52	90,000	0.78
Property Company	**604,470**	**5.34**	271,220	2.24	254,735	2.19
Retail	**387,331**	**3.42**	334,989	2.76	272,178	2.34
Oil and Gas	**11,125**	**0.10**	13,250	0.11	13,750	0.12
Technology	**192,000**	**1.70**	159,000	1.31	-	0.00
Total financial assets	**6,313,194**	**55.75**	7,110,944	58.61	6,669,318	57.46

Financial Assets at fair value through profit and loss had been classified into current and non-current assets, based on maturity date. Prior year financial assets classified as current assets amounting to EUR16,700 all related to banking sector.

	2020 Market value EUR	2020 % of total NCA	2019 Market value EUR	2019 % of total NCA	2018 Market value EUR	2018 % of total NCA
PROPERTY						
Included under Investment Properties and Property, plant and equipment						
Development land	**2,635,200**	**23.27**	2,635,200	21.72	2,563,700	22.09
Land	**605,000**	**5.34**	605,000	4.99	585,400	5.04
Leasehold properties	**80,000**	**0.71**	75,000	0.62	68,000	0.59
Ground rents	**1,529,829**	**13.51**	1,535,464	12.66	1,555,614	13.40
Office	**161,808**	**1.43**	170,000	1.40	165,000	1.42
Total property	**5,011,837**	**44.25**	5,020,664	41.39	4,937,714	42.54
TOTAL PORTFOLIO	**11,325,031**	**100**	12,131,608	100	11,607,032	100

	2020 % of total financial assets	2019 % of total financial assets	2018 % of total financial assets
GEOGRAPHICAL DISTRIBUTION OF FINANCIAL ASSETS			
Malta	**100.00**	100.00	100.00

FIVE YEAR STATEMENTS
FOR THE YEARS ENDED 30 APRIL 2016 TO 30 April 2020

INCOME STATEMENTS

	2020 EUR	2019 EUR	2018 EUR	2017 EUR	2016 EUR
Investments and similar income	**485,704**	690,558	265,176	1,549,267	406,452
(Loss)/profit before taxation	**(674,375)**	718,958	(82,597)	1,830,546	2,374,028
Taxation	**(150,838)**	(134,712)	(91,261)	(243,155)	(250,296)
(Loss)/profit for the year	**(825,213)**	584,246	(173,858)	1,587,391	2,123,732

STATEMENTS OF FINANCIAL POSITION

	2020 EUR	2019 EUR	2018 EUR	2017 EUR	2016 EUR
Non-current assets					
Investment properties	**4,850,029**	4,850,664	4,772,714	4,411,034	4,447,052
Property, plant and equipment	**161,808**	170,000	165,000	110,000	108,000
Financial assets at fair value through profit and loss	**6,313,194**	7,110,944	6,669,318	6,400,206	5,405,763
	11,325,031	12,131,608	11,607,032	10,921,240	9,960,815
Current assets					
Financial assets at fair value through profit and loss	-	16,700	167,975	-	-
Other current assets	**514,329**	500,182	279,788	1,218,698	576,194
	514,329	516,882	447,763	1,218,698	576,194
Current liabilities	**(215,929)**	(199,846)	(209,840)	(216,940)	(193,026)
Net current assets	**298,400**	317,036	237,923	1,001,758	383,168
Non-current liabilities	**(487,127)**	(487,127)	(479,104)	(438,458)	(454,162)
Total equity	**11,136,304**	11,961,517	11,365,851	11,484,540	9,889,821

FIVE YEAR KEY FIGURES AND RATIOS FOR THE YEARS ENDED 30 APRIL 2016 TO 30 April 2020

KEY FIGURES AND RATIOS

	2020	**2019**	**2018**	**2017**	**2016**
Number of shares in issue[1]	**7,314,123**	6,649,184	6,649,184	4,432,788	2,014,898
Earnings/ (Loss) per share (cents)[2]	**(0.113)**	0.080	(0.026)	0.24	0.32
Return on capital employed (%)[3]	**(7.410)**	4.884	(1.53)	13.82	21.47
Dividend cover (times)[4]	-	-	-	-	-
Net asset value per share (EUR)[5]	**1.523**	1.635	1.709	1.727	1.487

Notes

1 Actual number of shares in issue.
2 Earnings per share is computed by dividing the profit/(loss) for the year by the average shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the EPS calculation of all earlier periods presented.
3 Return on capital employed is calculated by dividing the profit/(loss) for the year by the shareholders' funds at the end of the year.
4 Dividend cover is calculated by dividing the profit/(loss) for the year by the gross dividends for the year.
5 Net asset value per share is computed by dividing the net assets by the average number of shares in issue. Any increase in shares by way of bonus issue is treated as having been in issue for the whole year and included in the NAV calculation of all earlier periods presented.